

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

FRONTIER INSURANCE GROUP, INC.,

Debtor.

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BENJAMIN LAWSKY, SUPERINTENDENT OF  
FINANCIAL SERVICES OF THE STATE OF  
NEW YORK, AS LIQUIDATOR OF FRONTIER  
INSURANCE COMPANY,

Plaintiff-Counterclaim Defendant,

-- against --

FRONTIER INSURANCE GROUP, LLC,

Defendant-Counterclaim Plaintiff-  
Crossclaim Plaintiff,

--and--

COUNTY OF SULLIVAN INDUSTRIAL  
DEVELOPMENT AGENCY,

Defendant-Crossclaim Defendant.

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**PARTIAL JUDGMENT**

WHEREAS, upon the record of the bench trial held by this Court on September 12, 2016 of the claims in Plaintiff's Verified Petition, dated February 24, 2014 (the "Verified Petition"), (originally filed in In re Liquidation of Frontier Insurance Co., N.Y. Sup. Ct. Albany Cty. No. 97-06), and of the First, Second, Third, and Seventh Counterclaims and Cross-Claim in the Answer, Counterclaims and Cross-Claim of Frontier Insurance Group, LLC ("FIGL"), dated April 11, 2014 (originally filed in Lawsky v. Frontier Insurance Group, LLC, N.D.N.Y. No.

Chapter 11

Case No. 05-36877 (CGM)

Adversary Proceeding  
No. 14-9022 (RDD)

1:14-CV-353-TJM-CFH), and, after due deliberation, this Court having issued a Memorandum of Decision After Trial, entered February 15, 2018 [Dkt. No. 66] (the “Trial Decision”); and

WHEREAS, the Court has considered the parties’ respective proposed forms of this Partial Judgment, submitted to the Court by their counsel on March 1, 9 and 12, 2018; and

WHEREAS, there is no just reason for delay in directing a final judgment as to the matters tried and decided, explicitly or effectively, in the Trial Decision, while FIGL’s remaining Counterclaim and any related matters are submitted for adjudication, because (i) the nature of the claims already determined are such that no appellate court will have to decide the same issue more than once even if there are subsequent appeals; and (ii) an immediate appeal will expedite the litigation; and good and sufficient cause appearing; NOW, THEREFORE,

**THE COURT HEREBY ORDERS, ADJUDGES AND DECREES THAT:**

1. Pursuant to Fed. R. Civ. P. 54(b) as incorporated by Fed. R. Bankr. P. 7054, the Court
  - (a) DISMISSES the Verified Petition, with prejudice, insofar as it pertains to (i) “Parcel B” (comprising approximately 2.7 acres, as described in the February 16, 1994 Deed by which the debtor herein (the “Debtor”) conveyed such property to the County of Sullivan Industrial Development Agency (“CSIDA”) (see Liquidator’s Trial Exhibit 7) and fixtures thereon); and (ii) “Parcel C” (comprising approximately 12.967 acres, as described in the February 26, 1997 Deed by which Debtor conveyed such property to Frontier Insurance Company (see Liquidator’s Trial Exhibit 8) and fixtures thereon), in each case as further defined in the Trial Decision;
  - (b) GRANTS the declaration sought by FIGL’s Second Counterclaim as it relates to Parcel B and Parcel C, namely that FIGL holds title to, and all reversionary interest in, Parcel B and Parcel C, including the fixtures thereon, for the reasons stated in the Trial Decision;

(c) GRANTS the injunction sought by FIGL's Cross-Claim as it relates to Parcel B and Parcel C and directs CSIDA to convey Parcel B and Parcel C, including the fixtures thereon, to FIGL forthwith; and

(d) DISMISSES FIGL's First, Third, Fourth, Fifth and Seventh Counterclaims without prejudice as mooted by the Trial Decision.

2. This Court retains jurisdiction to hear and determine all matters arising from FIGL's Sixth Counterclaim, including matters relating to the award of attorneys' fees and the imposition of costs, including pursuant to Fed. R. Bankr. P. 54(b) and defenses thereto.

3. This Court retains jurisdiction to hear and determine all matters arising from or relating to the interpretation and implementation of this Judgment.

Dated: March 12, 2018  
White Plains, New York

/s/Robert D. Drain  
Robert D. Drain  
United States Bankruptcy Judge